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ABSTRACT

The United States requires a coordinated, national approach to human resource development that will result in the establishment of priorities, detailed planning, and the full use of public and private resources backed by adequate state and federal funding. Problems of unemployment, underemployment, skilled worker shortages, national defense needs for well trained armed forces, the fragmentation of government training programs, and conflicting program requirements all underscore the compelling need for a national policy framework for employment development and training. While America's community colleges can and do provide educational upgrading programs, prepare skilled workers, assist local industries, and provide expertise in state and local planning, these institutions must be better utilized in solving the problems of employment development and training. This can be accomplished through occupationally specific training, focus on skill shortage areas, programs promoting entrepreneurship, collaboration with local businesses and labor unions, and productivity studies and local work force planning efforts. However, national leadership and a policy framework are required if these programs are to be implemented. Existing legislation must be reviewed and new legislation initiated to promote school industry cooperation, increase state-level determination of resource allocations, promote preparation for jobs with regional priority, and unify federal job training programs. (KL)

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PUTTING AMERICA BACK TO WORK

A CONCEPT PAPER

Developed by the
American Association of Community
and Junior Colleges

in cooperation with the
Association of Community College Trustees

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A Compelling National Interest

How can we evaluate a good society; by our cars, our refrigerators, our computers? History will gauge our society primarily by what we do with our human resources . . . and our human values. If we do not know how to seek the best in our people—fully utilize our human resources—then we become a wasteful society regardless of what we do elsewhere. Our nation is experiencing a sense of ennui . . . that whatever we do just will not make much difference. Declining productivity, unemployment and underemployment, stagflation and inflation, high interest rates, and federal deficits have become battering rams causing a staggering impact upon our nation.

The mobilization of our human resources offers a way out. We can make a difference. How can this nation ever be complacent about the waste of human resources? Our country desperately requires a bold new approach to human resource development. That new approach must be equivalent to the commitment that landed a man on the moon. Our "moon-shot" for the 1980's must be aimed at the triple goals of ample employment opportunities, increased productivity, and economic health for the individual and our country. We must rise above the way things have always been done and search for new approaches and new combinations of resources.

Our country desperately requires a bold new approach to human resource development.

This new "moon-shot" will require a consensus among our elected national leaders that results in the establishment of priorities, detailed planning, a coordinated national approach, and the full use of public and private resources accompanied by adequate state and federal funding. It is a cruel deception to delude ourselves into thinking this national effort will happen by chance. Surely, the spaceship Apollo would still be a sketch on the drawing board without the concerted commitment of national leaders and national resources. In this time of scarce fiscal resources we must focus our effort and carefully coordinate the use of our dollars.

Why Compelling?

Why is society's compelling interest in job development and training a national interest? There are several answers to this question:

1. Employment pays taxes; and unemployment drains taxes. High national unemployment causes federal and state expenditures for welfare to climb while tax receipts decline. Concentrations of unemployment, such as those in the auto and lumber industries, have a dramatic economic impact on the rest of the country.
2. The issue of declining productivity is closely interrelated with national fiscal, monetary, and human resource policies. In addition, international trade demands a productive work force if we are to compete vigorously, and complete the cycle from new technology to reduced prices to higher quality.
3. Unemployment, particularly in urban areas, presents a tremendous problem to state and local governments, one that they are frequently ill-equipped to solve. In this highly mobile society these problems tend to spill across the country.
4. Employment opportunities do not start or stop at state lines. Shortages of skilled workers remain a national problem and will seriously dampen economic revitalization efforts.

A healthy economy requires a national investment in job development and training that will put America back to work.

5. The defense of our country rests upon well-educated personnel and adequately trained technicians. A projected five-year $1.4 trillion investment in sophisticated machinery and weapons proposed to maintain and upgrade our national defense will be meaningless without trained personnel to build and operate this equipment.
6. The country is just too interdependent for any sector to be required to go it alone. State and local governments, plus a highly diverse private sector, cannot be expected to operate in a policy vacuum and must have national leadership.
7. The economic health of our nation requires a well-trained and productive work force.

Some History

A healthy economy requires a national investment in job development and training that will put America back to work. Historically, our country's strength reflects an unflagging investment in the human potential. The unassailable lesson of the G.I. Bill is applicable here. Any new vision to revitalize the economy must start with our human resources.

America's colleges and universities have played a major part in developing and defending the nation. Their importance was recognized long ago by the federal government.

- The Morrill Act of 1862 provided the basis for land grant colleges, which have prepared millions of people for professional and technical work, trained thousands for the Armed Forces and, through research, added immensely to our scientific, technological, and economic development. The realized goal of making two blades of grass grow where one has grown before has made this nation the most productive agricultural land in the world.
- The Smith-Hughes Act in 1917 initiated federal support to foster vocational education. The federal-state-local partnership has been the key to the proven success of the time-honored vocational education program. State and local dollars have supported the daily operation and federal dollars have enabled schools and colleges to secure new equipment, cover the exceptional costs of certain vocational programs, and provide the extra support required to help special populations. Without federal funding, the poorest states will have the most difficulty providing first-rate vocational education and adult employment development and training opportunities.
- The G.I. Bill of 1944 clearly demonstrated that federal investment in people can pay incalculable dividends to the nation. Since the enactment of the first G.I. Bill, more than 18 million veterans have received educational benefits and, through the taxes they've paid, repaid the government several times over for those benefits. The G. I. Bill provided unheard of access, across the country, to thousands of public and private colleges and universities.

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Missing Link

The missing link in all of this is the lack of a national policy on employment development and training. We have a foreign policy, a monetary policy, a fiscal policy, but no national policy spelling out a long range plan to utilize wisely our most precious resource—the human resource. This lack of a coherent, systematic national framework policy is best evidenced by the fragmented training programs that can be found throughout the federal government. Nearly all federal Cabinet-level secretaries administer some kind of employment development and training program funds. Rarely is there coordination among their programs.

Add to this federal fragmentation the plethora of job programs sponsored by state and local governments, and, of course, all of the programs operated by the private sector. The picture cries out for a national framework policy. Amid such fragmentation and duplication our slumping productivity is hardly surprising.

Moving America again to the forefront of global competition is essentially a challenge in skill development of keeping our work force as advanced as our technology. It is a compelling national challenge. The challenge cannot be met alone by piecemeal responses, state by state, town by town. Orchestration of policy and resources, public and private, at every level of our system, is required, starting with a cohesive national policy formulated by the Congress that requires financial efficiency, program effectiveness, and institutional accountability.

What Is the Current Situation?

The problems America's economy faces are not Republican problems or Democrat problems; they are American problems. We are bridled with chronic unemployment and underemployment, sagging productivity, high interest rates, and recurring cycles of stagflation and inflation. Moreover, we are facing a severe shortage of skilled workers, which promises to worsen in the future if we do not reverse it. Finally, a projected $1.4 trillion defense investment in sophisticated machinery and weapons proposed to maintain and upgrade our national defense will be meaningless without trained people to build and operate this equipment.

Unemployment

Today almost 10 million Americans are on record as unemployed. In addition, many individuals have simply given up in the search for work and have sunk below the statistical level.

Underemployment

Underemployment continues as well. In *A Fisherman's Guide: An Assessment of Training and Remediation Strategies,* author Robert Taggart writes: "There were 5.5 million individuals in the labor force 50 weeks or more in 1980 whose employment and earnings problems were so serious that their families were below the poverty level. There were 15 million who did not earn the equivalent of the minimum wage for the hours and weeks each was willing and able to work."

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Skilled Worker Shortages

Ironically, at a time when we are experiencing high levels of unemployment, nearly every trade association in this country reports skilled craftsman shortages—shortages that will increase to dangerous levels if solutions are not applied soon. For example, the 1981 survey of the American Electronics Association documents a growing demand for technicians in electronics and computer sciences. The survey shows a need for 140,000 new technical paraprofessionals by 1985. Most of these positions will be created by the young, developing companies, companies that do not and cannot afford to develop and offer their own training programs.

Business Leaders Concerned

Business leaders recognize that some *national action* is required. As the so-called "Reaganomics" is being tested, some business leaders are warning that the economy could face serious additional difficulties if the federal government reduces its responsibility for educating, training, and improving the work force. The prestigious Business Roundtable has called for a *national policy* to deal with a growing imbalance between the supply of workers and the skills demanded.

Testifying before the Senate Subcommittee on Employment and Productivity in June of 1981, B. F. Metler, Chairman of TRW, Inc., called for a *national* public-private effort to address the problems of structural unemployment. Metler expressed the feeling that our nation has skimped on its investment in employee development and training.

Defense Concerns

A strong defense is another national challenge. The Armed Forces lack sufficient numbers of trained technicians and professionals to staff existing equipment. They face a serious shortage of technicians to build, operate, and repair the coming weapons systems.

In a recent paper prepared for the National Council on Employment Policy, economist Isabel Sawhill of the Urban Institute offers the military as a prime example of the problems that may occur when capital equipment becomes more sophisticated than the available work force. She suggests that in this case "buying more hardware does not look like a very good investment unless accompanied by a major effort to upgrade the skills of those who will have to use it." She recommends that, as the Administration makes plans to double its spending for defense, it consider making this sector a laboratory for the development of new education and training systems with possible "spill-overs for the civilian sector."

Fragmentation

There are a multitude of reasons why an individual may be unable to find employment, *i.e.,* physical and mental handicaps, learning barriers, lack of technical skills, criminal records, workers in declining industries, limited English speaking, displaced homemakers. The governmental services aimed at helping these individuals are fragmented and dispersed. There is no unified "evaluation and referral" system required. Compounding this fragmentation of services are conflicting program requirements. As an example, in many states, individuals receiving unemployment insurance compensation cannot enroll in a full-time training program without losing benefits, because the individual must supposedly be ready to accept any appropriate job offer. None of the programs address the need to continually upgrade the productivity of employed workers to ensure a technically competent work force.

Work Force Needs

Paradoxically, we are moving from a baby boom to a baby bust period. A severe overall worker shortage is predicted within the decade.

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In the 1970's the growth rate of the American work force averaged 2.45 percent, in the 1980's it will be between 1.25 and 1.5 percent, and in the 1990's it will be less than one percent per year. There is little elasticity remaining in our population since 52 percent of the women and 78 percent of the men of working age are already employed. The agricultural sector is operating with a minimum of people (three percent of the work force), and the manufacturing sector is quickly reducing employment with the aid of robotics and computer-aided manufacturing. To maintain a strong work force will require better retraining opportunities for employees who want to work part-time, as well as full-time, to learn new skills and acquire new knowledge.

Community, Technical, Junior Colleges: A Uniquely American Resource

Community, technical, and junior colleges constitute a rapidly growing sector of postsecondary education. Some 1,231 community, technical, and junior colleges across America enrolled in the fall of 1981 an estimated five million students for regular credit, and another five million students in non-credit courses. During the 1981-82 college year it is anticipated that over 11 million different individuals will take one or more classes at a community, technical, or junior college. When fully utilized as a major national resource in the adult job development and training field, these colleges can and do:

1. Prepare technicians and skilled workers for specific occupations, including defense-related occupations.

2. Provide literacy training, upward mobility, and retraining opportunities for employees particularly aimed at skilled worker shortages.
3. Assist owners and operators of small businesses.
4. Promote local collaboration among labor, education, and business organizations, particularly cooperative efforts with Private Industry Councils.
5. Cooperate in productivity studies and work force planning.
6. Assist in the development and operation of Urban Enterprise Zones.
7. Participate in statewide economic development and reindustrialization strategies.

Our nation's public and private schools and colleges form the most comprehensive system of education and training in the world. They have served the nation well in the past and can serve it even better in the future.

Postsecondary institutions are particularly qualified to help address national economic problems, enhance the abilities of individuals, improve the quality of personal lives, and build the strength of our nation. American postsecondary education institutions can and must be better utilized in the solving of the problems of employment development and training.

Colleges . . . have served the nation well in the past and can serve it even better in the future.

Colleges also must never forget that their roots are in high schools. It does little good for college personnel to carp about poorly prepared students unless they are reaching out to help their high schools. College personnel must form, with the secondary schools in their service regions, deep linkages that will produce both strong school career and vocational education programs and higher academic performance.

Here are some special program targets for inclusion in any new adult employment development and training legislation:

- **Specific Job Training**

The need for *occupationally specific training* is not limited to young people preparing for their first jobs. Employed individuals increasingly require opportunities to upgrade their skills and to learn new skills as revolutionary shifts occur in employment demands. For example, the demand for white collar and service workers is increasing while blue collar and manufacturing jobs are decreasing. Peter Drucker predicts that manufacturing jobs will constitute less than five percent of the American work force in 25 years. In the 1950's 41 percent of the work force was in this sector. Today it is only 27 percent. The quality of workers' performances is critical in these new jobs, and that depends on how well they have learned and can use the skills they were taught.

Education and training programs must provide incentives to encourage workers to acquire new, higher level skills—especially skills that would enable them to work in *high technology* and skill areas that will be most critical to our nation's well-being in the future. Such incentives will help reduce the number of workers who are displaced, underemployed, or unemployed.

- **Skilled Worker Shortages**

Special attention must be given to the current and predicted *skill shortage areas* of employment opportunities, particularly in high technology occupations. For example, the American Electronics Association report that reveals 140,000 technicians are needed during the next five years includes such fields as computer analysts, programmers, computer software engineers, and electronic engineer technologists. The health care industry reports a growing shortage of nurses and medical technologists in numerous specialized fields.

- **Entrepreneurship: One Answer for Unemployment**

The drive to achieve economic self-sufficiency through *small business* ownership has not slackened; in fact, it continues to intensify, showing that the traditional American spirit of individual initiative is entirely alive. More than 500,000 new small businesses are launched each year. Our increasingly service-related economy offers a growing spectrum of opportunities for customized and personalized small businesses. Today, one job opening in four and almost all of the new jobs are found in a company with fewer than 200 employees and a gross profit of less than $1 million annually. If each small business in the country could have one new employee, the unemployment problem of the country would vanish.

- **Proven Partners**

Most community colleges routinely promote *collaboration with local businesses and labor unions*. Many of them came into being through local initiatives headed by business and labor leaders. It is standard operating procedure for a community college to have local advisory committees of employers, employees, and practitioners for each of its occupational programs. A study by AACJC revealed the average community, technical, and junior college has nearly 100 specific working arrangements with local organizations. The larger number by far is with local businesses. All of this experience by community colleges in facilitating cooperative arrangements must be used to increase productivity and economic development.

Colleges can make an important contribution to the enterprise zones by offering low-cost customized training programs.

- **Urban Enterprise Zones**

It is the objective of the *Urban Job and Enterprise Zone* proposals to encourage local governments and small businesses to work together to facilitate the employment of the poor. New businesses would be lured to depressed urban and rural areas with lower taxes and reduced government regulation. It is proposed that ten to twenty-five enterprise zones be created each year for a three-year period. Community, technical, and junior colleges can make an important contribution to the enterprise zones by offering low-cost customized training programs. The presence of a comprehensive community college system should be considered in the designation of such zones.

- **Productivity**

Productivity studies and work force planning efforts that fail to take into account the major training institutions and programs fall short of the mark. Efforts to improve productivity require the cooperation of all the partners in the enterprise, *i.e.*, employers, employees, and training or retraining programs. Some states are carefully orchestrating economic development policies fully utilizing the resources of the two-year colleges.

Proposal for a New "Moon-Shot" Commitment

The current federal initiatives in human resource development are embodied in a diversity of programs including: CETA, Adult Basic Education, Vocational Education Act, various student financial aid programs, and defense training programs. What is clearly required is an examination of these programs with a new "moon-shot" commitment to foster job development and training relevant to economic development.

Existing legislation must be reviewed for possible refinement and new legislation initiated which addresses the following five principles:

1. *Incentives* must be designed to promote greater *cooperation between private/governmental employers and existing accredited educational/training institutions* for the purpose of preparing citizens for careers of regional and/or national priority.

   We recommend that incentives (direct federal funding, matching support, and/or tax relief) be developed to:

   - Provide for the enhancement of relevant education/training services in accredited postsecondary institutions through increased private sector support for instructional staff upgrading, curriculum development, equipment and facility upgrading, and cooperative training relationships.
   - Encourage greater private sector support for training activities of national priority which will facilitate worker mobility.

Existing legislation must be reviewed for possible refinement and new legislation initiated . . .

2. An *administrative structure* to allocate federal resources must be designed in a manner *that provides greater state level determination of resource and/or incentive allocation, and promotes interstate planning for labor market areas that transcend state boundaries.*

   We recommend that guidelines for the states:

   - Provide a strong role for employers and labor leaders to work with state government leaders in allocation decisions and the establishment of state job development and training priorities, and
   - Provide for representatives of community, technical, and junior colleges along with other vocational education representatives to have a formal advisory role in state and local allocation decisions and the establishment of job development and training services, and
   - Provide guidelines for the allocation of funds or other incentives such that the needs of disadvantaged, handicapped, minorities, and other special populations will be addressed, and national skill shortage priorities will be addressed, and
   - Provide a mechanism for interstate collaboration in addressing the economic development and job training needs of such economic regions as the Pittsburgh-Wheeling-Cleveland-Detroit reindustrialization corridor.

3. *Incentives* must be designed to *encourage citizens* to seek preparation to *qualify for occupations of regional and/or national priority, to be mobile,* and *to maintain their employment.*

   We recommend the establishment of:

   - Target grants, loans, tax relief to support education/training costs for occupations of national or regional priority, and
   - Regulations that make it economically advantageous for individuals to seek and accept employment and training opportunities, as opposed to reliance upon subsistence stipends, and
   - A voucher retraining approach along with unemployment insurance.

4. A *national policy on employment development and training* is required.

   We recommend that such a policy include:

   - The integration of all training and vocational education legislation into a cohesive national human resource development program.
   - The role that community, technical, and junior colleges can play in this vital process along with other educational and training organizations.
   - Pinpointing accountability for worker assessments and the operation of the evaluation, referral, and placement system.

5. The currently *fragmented authority and accountability* for the federal job training programs must be clarified and unified. It is particularly important to pinpoint responsibility.

   We recommend:

   - The establishment of a federal Board for Employment Development and Training to serve as the coordinating and rule/regulation developing body to implement the policies established by Congress. Such a Board might be composed of the Secretary of Commerce, Secretary of Education, Secretary of Labor, Secretary of Defense, and Secretary of Agriculture. The Secretary of Commerce should be named Chairman of this Board and provide the staff work required to ensure that the national employment development and training policy will serve to promote the commerce of the United States.

National leadership and a national policy framework are required if the new "moon-shot" is to move from the launching pad.

In summary, the nation's 1,231 two-year postsecondary institutions stand prepared to make a major contribution to training and retraining large segments of the nation's work force to meet the triple goals of high employment, increased productivity, and economic health. However, national leadership and a national policy framework are required if the new "moon-shot" is to move from the launching pad.

American Association of Community and Junior Colleges

This concept paper was developed by a special Task Force to underscore the importance of human resource development in the economic life of this nation, and to present a proposal for improving adult employment development and training.

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